

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

12 - 06

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:  
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH FINANCING ADMINISTRATION  
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2012

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447.204

7. FEDERAL BUDGET IMPACT:  
a. FFY 2012 \$ 3,571,600  
b. FFY 2013 \$ 5,975,100

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-B, Page 20

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
N/A – New Pages

10. SUBJECT OF AMENDMENT:

Implementation of a multi-payer demonstration project to reform primary care payment models and expand the capabilities of patient-centered medical homes (PCMH) throughout Michigan.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

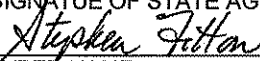
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director  
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:  
Stephen Fitton

14. TITLE:  
Director, Medical Services Administration

15. DATE SUBMITTED:  
March 29, 2012

16. RETURN TO:

Medical Services Administration  
Actuarial Division  
Capitol Commons Center - 7th Floor  
400 South Pine Street  
Lansing, Michigan 48933

Attn: Loni Hackney

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

### ***Policy and Methods for Establishing Payment Rates (Other than Inpatient Hospital and Long Term Care Facilities)***

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#### 25. Michigan Primary Care Transformation Project (MIPCT)

Beginning January 1, 2012, the Michigan Department of Community Health (MDCH) will begin care coordination payments to eligible Physician Organizations (POs) that serve Medicaid beneficiaries through the Michigan Primary Care Transformation Project (MiPCT). MiPCT is a multi-payer, state-wide demonstration project aimed at reforming primary care payment models and expanding the capabilities of patient-centered medical homes (PCMH) throughout Michigan.

The purpose of the care coordination payment is to support team-based care coordination services provided in the office, outpatient, or home setting. Care Coordination payments enable the practice to provide primary care chronic disease prevention/management services to improve patient well-being and functional status or diminish the risk of increased severity of illness; engage patients in goal setting and self-management of chronic conditions; and coordinate care to make full use of available community resources.

To be eligible for participation in the project primary care practices must:

- Be part of an existing Physician Organization or Physician Hospital Organization (PO/PHO)
- Have achieved 2010 PCMH designation/recognition through the Physician Group Incentive Program (PGIP) or National Committee for Quality Assurance (NCQA)
- Maintain PCMH designation/recognition throughout all three years of the project
- Sign a participation contract and meet specified MiPCT requirements

PO/PHOs will receive payment to support care co-ordination functions for the Medicaid attributed lives assigned to the primary care practices they contract with.

The care coordination interventions are represented by four overlapping functional tiers of activity:

- Coordinating care in the medical neighborhood
- Care transitions
- Care management
- Complex care management

Care co-ordination payments will be made quarterly as a \$3.00 per member per month (PMPM) payment based on the Medicaid attributed members assigned to those primary care practices that contract with the PO/PHO for care co-ordination under the demonstration.